

**Minutes**  
**Joint Legislative Program Evaluation Oversight Committee Meeting**  
**October 23, 2013, 2013**

**Members Present**

Senator Fletcher Hartsell, Chair  
Senator Ben Clark  
Senator Rick Gunn  
Senator Neal Hunt

Representative Julia Howard, Chair  
Representative Bryan Holloway  
Representative Marvin Lucas  
Representative Tim Moffitt  
Representative Edgar Starnes

**Call to Order**

Representative Julia Howard, Chair, called the meeting to order.

Representative Moffitt moved to approve the September 30, 2013 *Minutes*. Motion carried.

**Presentations and Appearances**

Representative Howard recognized Carol Shaw, Principal Program Evaluator, to present the PED report examining Colorado's Douglas County School District to determine whether its approach to school choice can inform state education policy-making in North Carolina. Senator Clark noted that PED compared Douglas County, CO to the entire state of North Carolina rather than to a specific county in NC that might be comparable. For example, Wake County serves twice as many students as Douglas County, but the wealth and educational attainment in Wake do not compare to Douglas County. He asked why PED did not call attention to the disparity of resources between Douglas County and NC districts. Senator Hartsell responded that the purpose of the project was to find out what was happening in the Douglas County School District and to determine if there were features there that could be considered in NC, and that the charge to PED was not to suggest that any particular NC district adopt those features. He said that the report also noted constraints that would have to be addressed before any district could adopt those features and suggested that there may well be districts desiring to do so.

Representative Howard appointed a subcommittee to meet separately from the JLPEOC and report on what actions, if any, the joint committee might consider recommending to the General Assembly based upon the PED report. JLPEOC members appointed to this subcommittee are:

Fletcher Hartsell, Chair  
Bryan Holloway  
Rick Gunn  
Marvin Lucas  
Ben Clark

Representative Howard recognized Jeff Grimes, Senior Program Evaluator, to give a status update on transfer of State funds from the NC Rural Economic Development Center, Inc. (Rural Center) to the Department of Commerce. At the August 19 Committee meeting, the State Auditor presented an audit that found that the Rural Center had earned approximately \$20 million in interest on state funds over the previous five fiscal years that was not available to the State. The Rural Center has stated that approximately \$11.6 million of the \$20 million in interest remains and is proposing to return approximately \$4.3 million to the State as part of an agreement with the Department of Commerce.

Grimes stated that the Department of Commerce reports having a tentative agreement with the Rural Center on the transfer of funds to the State as part of the transfer of grant responsibilities to Commerce. Amounts are subject to change, but the total transfer of funds to the State would be approximately \$109 million. The Department of Commerce is working with the Rural Center to finalize an agreement to transfer funds and hopes to close on the transaction by the end of October 2013. Representative Howard and Senator Hartsell announced that they would request that the Department of Commerce act with great urgency to obtain a full accounting of the Rural Center's funds to identify the source of all liquid and fixed assets of the Rural Center before the Department enters into an agreement. Representative Howard requested that Mr. Grimes update the Committee on the status of Rural Center funds at the next meeting.

#### **PED Work Plan**

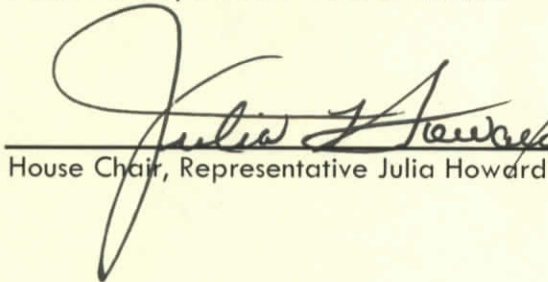
The Chair recognized Pam Taylor, Principal Program Evaluator. Taylor reported on the status of PED projects on the 2013–2015 Work Plan. There are 5 projects underway at this time, and by the end of July 2014 PED will have completed 10 projects with another 15 remaining projects on the PED Work Plan.

Representative Howard announced that the next meeting will be Wednesday, November 20, 2013.

#### **Adjournment**

With no further business, the committee adjourned.

  
Senate Chair, Senator Fletcher Hartsell

  
House Chair, Representative Julia Howard